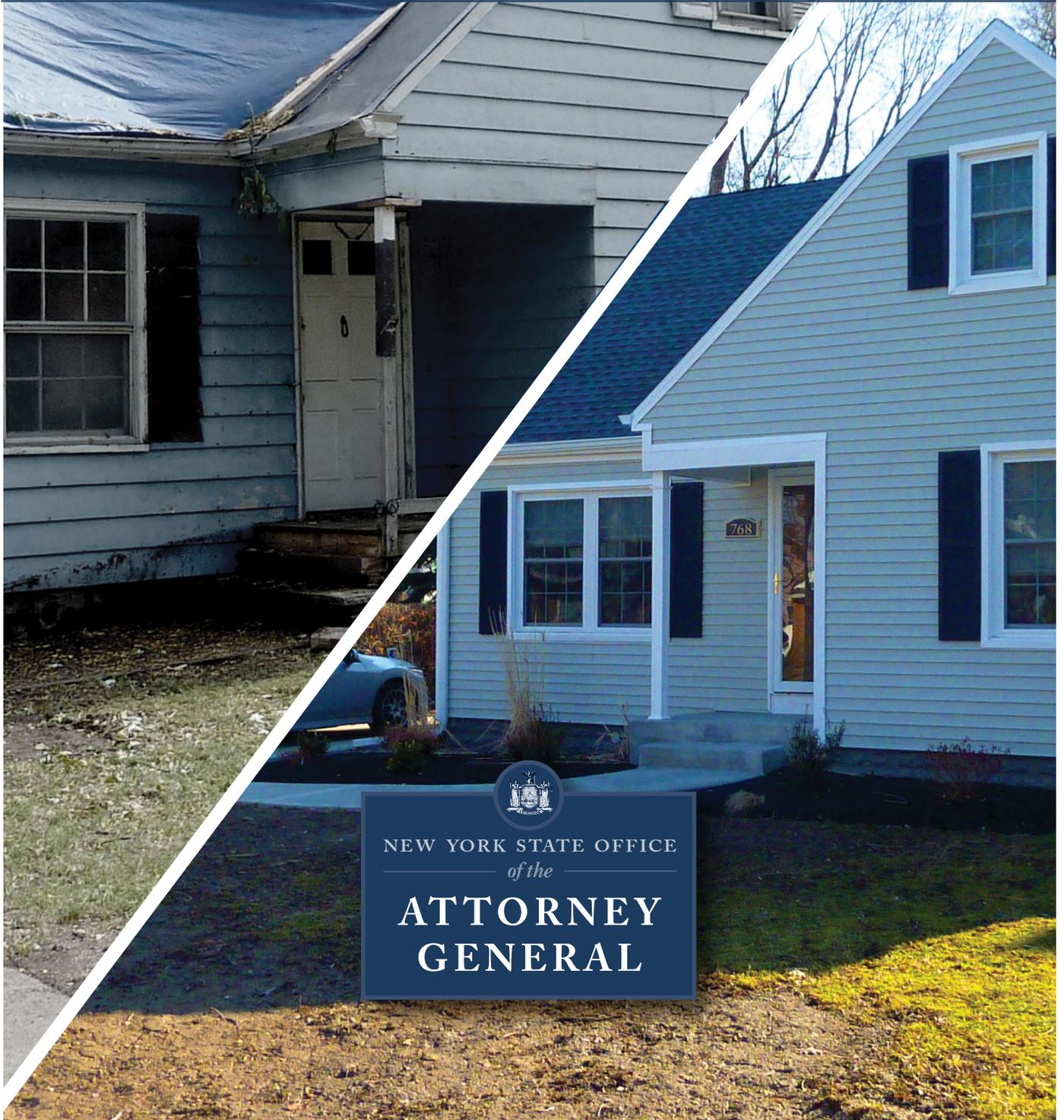


Revitalizing NY State

A report on New York Attorney General Eric T. Schneiderman's
Land Bank Community Revitalization Initiative



NEW YORK STATE OFFICE
of the
**ATTORNEY
GENERAL**

*Cover photos by the Chautauqua County Land Bank Corporation
of 768 Eagle Street in Dunkirk, NY, before and after renovation.*



This report was prepared by the Office of the Attorney General of the State of New York's Community Impact and Innovation Unit, with special thanks to Enterprise Community Partners, the Local Initiatives Support Corporation, the Center for Community Progress, the New York Land Bank Association, and the land banks of New York State.

| November 1, 2016 |

A Letter from New York State Attorney General Eric T. Schneiderman

Dear New York State residents,

I am proud to release this report about my Land Bank Community Revitalization Initiative (Land Bank CRI), a program that is helping communities across New York State address vacancy and blight and which is advancing efforts to rebound from the housing and economic crisis.

The 2011 New York State Land Bank Act authorized the existence of 10 land banks through competitive applications to the New York Empire State Development Corporation. In 2014, I worked with the New York State Legislature and Governor Cuomo to pass a bill which expanded this program to allow for 20 land banks in New York State. Over the past three years, my office has committed more than \$30 Million through two competitive rounds of funding to help kick-start these vital community-based organizations, enabling them to get down to the business of rebuilding communities. Today, there are land banks operating from Long Island to Albany, and from Buffalo to Broome County. These non-profit, community-development corporations are rebuilding neighborhoods block by block, stabilizing whole communities, and helping economic growth in neighborhoods still struggling to move past the foreclosure crisis.

For example: In Syracuse, the Land Bank has acquired more than 1,000 vacant and abandoned properties; and to date, has resold more than 400. Many of these sales were to low- and moderate-income first-time home buyers. In Suffolk County, the Land Bank completed critical environmental studies on 50 brownfields across the county, which can now be resold and put back into productive use. In Erie County, the Land Bank has demolished over 100 vacant and abandoned properties bringing stability and safety back to neighborhoods where long-time homeowners were desperate to preserve their property values. In the city of Newburgh, the Land Bank is partnering with development groups to turn distressed properties into renovated rental apartments creating badly needed affordable housing options for low- and moderate-income families.

These are just some examples of the critical work that land banks are doing across New York State, thanks to our Land Bank CRI program. And there is much more to come. In just the last year, eight newly formed land banks have been created, bringing the total number of New York State land banks to 18. These newer Land Banks are serving more rural areas in places like Allegany and Cattaraugus counties, and the suburban neighborhoods of Nassau County. In unprecedented collaboration, four counties and two cities in the Mohawk Valley have come together to form a single land bank, which now covers the largest geographic territory of any land bank operating in New York State.

The importance of this work cannot be overstated. When I was first elected to office as New York State Attorney General in 2011, the nation was in the middle of the worst housing crisis in American history. Families across the country lost \$7.4 trillion in home equity in 2008 alone. The housing market in New York collapsed and the state lacked the resources needed to help struggling families. One of my top priorities as Attorney General has been getting New York communities the resources needed to rebuild.

In 2012, President Obama appointed me to co-chair the Residential Mortgage Backed Security Working Group, a federal-state law enforcement partnership dedicated to holding the big banks accountable for their role in the crash of the housing market and the foreclosure crisis that followed. Over the past five years, this working group has generated more than \$5.5 billion for New York State. I have also launched a number of programs that have enabled tens of thousands of at-risk New York families to remain in their homes. At the same time, I recognized that foreclosures are not only harming individual families—they also cause damage to the surrounding neighborhood, the municipality, and local taxpayers. In 2009, the Center for Responsible Lending projected that homeowners living near a foreclosed property, on average, would lose \$7,200 in property value, and projected a four-year increase in losses to \$20,300 per household.

That is why in addition to the Land Bank CRI program, I drafted and supported legislation to address the adverse effects of vacant and abandoned properties, often known as “zombie” properties. This year the Legislature passed a bill that requires banks to maintain abandoned properties during the foreclosure process and establishes an electronic registry of vacant properties. This legislative victory will be a significant boon to the Land Banks, ensuring that the properties they acquire are preserved in decent and safe condition and making their work more cost-efficient and effective.

This report explores the work that the first 10 Land Banks have undertaken in communities across New York State in just the past three years. It outlines their combined accomplishments, which are truly inspiring. I am proud to announce that as a result of recent settlements my office has reached with two more large financial institutions, there will soon be about \$20 million in new funding to support land banks in New York State. I am confident that this additional investment will enable these vital institutions to achieve even greater success in rebuilding and re-stabilizing our communities and I look forward to celebrating their future success.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric T. Schneiderman". The signature is fluid and cursive, with a long horizontal flourish at the end.

Eric T Schneiderman

What is a Land Bank?

Land banks are nonprofit entities that work in cooperation with government to revitalize communities by bringing blighted, abandoned, and tax delinquent properties back to productive use.

Rebuilding NY Communities

Land banks play an important role in the revitalization of New York State. They transform problem properties into community assets and help rebuild neighborhoods. They assume responsibility for some of a municipality's most difficult properties, lower costs for local governments, reduce the burden on taxpayers, and generate tax revenue. Redevelopment also lowers crime and the risk of arson and vandalism. The land banks also serve as economic engines by creating local jobs. One house at a time, land banks are bringing positive changes to communities and to New York State as a whole.

By stabilizing, renovating, or demolishing formerly blighted properties, the New York State land banks are saving an estimated \$19 million in property value for surrounding homes. This estimation is based on the average housing density and property values for the counties covered by each land bank, and on a study of property value loss for homes within 500 feet of blighted properties.¹

¹ Griswold, Nigel G. and Norris, Patricia E. *Economic Impacts of Residential Property Abandonment and the Genesee County Land Bank in Flint, Michigan*. East Lansing, Michigan: Michigan State University, 2007. <http://community-wealth.org/sites/clone.community-wealth.org/files/downloads/report-griswold-norris.pdf>.



Community Impacts of the Housing Crisis

New York State has experienced an epidemic of vacancy and blight.

Decreasing Property Value

- Houses within 150 feet of a vacant property lose over \$7,000 in property value.
- Significant property value loss is felt by neighboring homes up to 500 feet away.²

Increasing Crime and Fire

- After a property is vacated, the crime rate within 250 feet of the property is 15% percent higher than the surrounding area, which increases the longer the property is vacant.³
- \$900 million in property damage results from fires in vacant homes each year.⁴

² http://www.smartgrowthamerica.org/smartgrowthusa/wp-content/uploads/2011/03/True-Costs_Aug05.pdf

³ <https://www.huduser.gov/portal/periodicals/em/winter14/highlight1.html>

⁴ <https://www.huduser.gov/portal/periodicals/em/winter14/highlight1.html>

Land Bank Accomplishments: By the Numbers

The NY AG's funding was critical to enabling the NY land banks to support their operations and get off the ground. Since 2013, land banks have achieved:



\$30+ million
in NY AG investment

1,995 properties reclaimed from abandonment.

701 properties returned to the market and back in productive use.

409 unstable structures demolished or in process.

A conservative estimate suggests that NY land banks have leveraged the funding from the AG's office to raise over \$20 million dollars from other sources.

Land Bank Impacts in New York State

Targeted Revitalization

The land banks have **reclaimed over 1,900 properties from abandonment**. The land banks serving Albany County and the Capital Region have collectively **acquired more than 300 distressed properties** and are using diverse strategies to change these properties into neighborhood assets. Land banks transform vacant, abandoned, tax-delinquent, and foreclosed properties. They renovate deteriorated homes to convert them into high quality affordable housing or demolish those homes that can't be rehabilitated, so they can repurpose land for public use such as parks and gardens.

The land banks are spearheading innovative approaches to strategically transform neighborhoods. In Schenectady, the Land Bank, in collaboration with the City and a nonprofit development firm, is implementing a targeted revitalization strategy for Eastern Avenue, an important corridor that provides the gateway to the downtown. In Binghamton, the Land Bank is facilitating a strategic redevelopment project to breathe new life to the city's core.

Restoring Tax Revenue

New York State land banks are uniquely designed to address distressed properties, and they provide municipalities with tools for dealing with persistent challenges. In Syracuse, the Land Bank enabled the City to begin managing **thousands** of tax-delinquent properties and to collect **millions** in tax revenue. And in Suffolk County, the Land Bank gave the County a way to deal with a backlog of **more than 100** tax-delinquent contaminated brownfield sites.

Returning Properties to the Market

The land banks have put **more than 700 formerly blighted and abandoned properties in NY back on the market**, which catalyzes the revitalization of entire communities. The land banks sell the formerly abandoned properties to responsible owners who will invest in upkeep, changing the face of the neighborhood and increasing property values.

Healthy Homes

NY land banks rehabilitate abandoned homes—formerly dilapidated eyesores that were lowering surrounding property values. In the City of Rochester, the Land Bank is creating quality affordable homeownership opportunities by beautifully **renovating over 70 formerly blighted homes** and making them available to low- and moderate-income first-time homebuyers. In the City of Newburgh, the Land Bank is removing dangerous levels of lead and asbestos from aging housing stock. These housing improvements help change the trajectory of neighborhoods.

Eliminating Blight

The NY land banks have **torn down 409 unsafe buildings**. The Land Bank in Erie County alone has **demolished over 100 dangerous buildings**, eliminating safety risks and restoring equity to struggling communities. In Chautauqua County, the Land Bank is tackling rural blight. It has **removed close to 70 unsightly and badly deteriorated houses** and has sold the resulting lots to adjacent homeowners. The demolition of unstable structures also clears the land to make room for open space and new construction of housing, commercial space, and community centers.

Open Space

Land banks also create environmental benefits, such as parks and green space. This changes the landscape of New York and contributes to the sustainability of the state. The Land Bank in Newburgh is partnering with the City of Newburgh to create an urban farm in a centrally located park. The Land Bank in Syracuse leases and sells land for community gardens and other “green uses,” and also provides grants to local community groups to “adopt” vacant lots for gardens.

Changing Communities, House by House

New York State land banks are revitalizing communities. Although redevelopment work is complex and takes time, the New York State land banks have demonstrated that with perseverance it is possible to achieve important victories in the battle against abandonment and blight. House by house and block by block, the land banks are transforming neighborhoods and bringing benefits to New Yorkers throughout the state.

Land Bank Property Life Cycle:



Land Bank CRI Funding: 2013 - 2016

Between the announcement of the Land Bank CRI in July of 2013, until this report was released in November 2016, New York State Attorney General Eric T. Schneiderman has supported 10 land banks across New York State with over **\$30 million** in funding, awarded in 2 rounds. The currently funded land banks are:

	Total
Albany County Land Bank Corporation	\$2,880,000
Broome County Land Bank Corporation	\$955,401
Buffalo Erie Niagara Land Improvement Corporation	\$4,587,500
Capital Region Land Reutilization Corporation	\$3,150,000
Chautauqua County Land Bank Corporation	\$2,806,000
Greater Syracuse Property Development Corporation	\$4,971,534
Newburgh Community Land Bank	\$4,408,850
Rochester Land Bank Corporation	\$4,645,762
Suffolk County Landbank Corporation	\$2,613,471
Troy Community Land Bank	\$1,257,748
Total Funding	\$32,276,266

Newly Formed Land Banks

Since the last round of Land Bank CRI funds were awarded, eight new land banks have been created. This brings the total number of land banks in NY State to 18 as of the release of this report.

Allegany County Land Bank Corporation
Cattaraugus County Land Bank Corporation
Chemung County Property Development Corporation
Finger Lakes Regional Land Bank Corporation
Greater Mohawk Valley Land Bank Corporation
Nassau County Land Bank Corporation
Oswego County Land Bank Corporation
Steuben County Land Bank Corporation

Additional Funding for Land Banks

In 2016, the NY Attorney General entered into two more mortgage settlements with large financial institutions to resolve claims related to the 2008 financial crisis. Between these settlements, the NY Attorney General has secured about \$20 million in additional funding for land banks in New York.

This same year, the NY Attorney General also announced a new pilot program called Neighbors for Neighborhoods that will provide New York State land banks with \$4 million in subsidies for everyday New Yorkers to take over individual, abandoned properties in their neighborhood – at little or no cost – and rehabilitate them into affordable rental housing.

Map of New York State Land Banks



“We are grateful to Attorney General Schneiderman for funding the important work of the Suffolk County Landbank Corporation (SCL-BC). This has enabled the County to work with the Land Bank to ensure that tax delinquent and environmentally contaminated brownfield properties are cleaned up and redeveloped to boost the local economy. The Land Bank is also helping to create quality affordable homeownership opportunities in the county by acquiring and rehabilitating vacant, bank foreclosed homes.”

-Suffolk County Executive Steven Bellone

-  **Albany County Land Bank Corporation**
-  **Allegany County Land Bank Corporation**
-  **Broome County Land Bank Corporation**
-  **Buffalo Erie Niagara Land Improvement Corporation**
-  **Capital Region Land Reutilization Corporation**
-  **Cattaraugus County Land Bank Corporation**
-  **Chautauqua County Land Bank Corporation**
-  **Chemung County Land Bank Corporation**
-  **Finger Lakes Regional Land Bank Corporation**
-  **Greater Mohawk Valley Land Bank Corporation**
-  **Greater Syracuse Property Development Corporation**
-  **Nassau County Land Bank Corporation**
-  **Newburgh Community Land Bank**
-  **Oswego County Land Bank Corporation**
-  **Rochester Land Bank Corporation**
-  **Steuben County Land Bank Corporation**
-  **Suffolk County Landbank Corporation**
-  **Troy Community Land Bank**

“The Syracuse Land Bank has made a demonstrable difference in the City of Syracuse. Where neighborhoods once had blight, they now have hope. I appreciate the work of the staff of the Syracuse Land Bank and the commitment of Attorney General Eric Schneiderman to supporting the quality of life in cities across New York.”

-Syracuse Mayor Stephanie A. Miner

NY Land Bank Success Stories

Rebuilding Communities: Rochester's Neighborhood Builders

Rochester is a city with aging housing stock and a large number of vacant and blighted properties. The Rochester Land Bank Corporation's Neighborhood Builders program reclaims underutilized empty lots and constructs new, modern and energy-efficient houses. For example, 26 Strohm Street, a former derelict vacant lot, is now the site of a beautiful new home that was purchased by a first-time homebuyer.

The Land Bank is currently renovating over 70 formerly blighted homes in the City of Rochester. This creates much-needed, quality homeownership options for low- and moderate-income residents.



BEFORE: Vacant lot at 26 Strohm Street, Rochester, NY



AFTER: New home at 26 Strohm Street, Rochester, NY

Greening the Rust Belt: Schenectady's Tribute Park



BEFORE: In Schenectady, unsafe structure demolished on site of future Tribute Park



AFTER: Rendering of Tribute Park

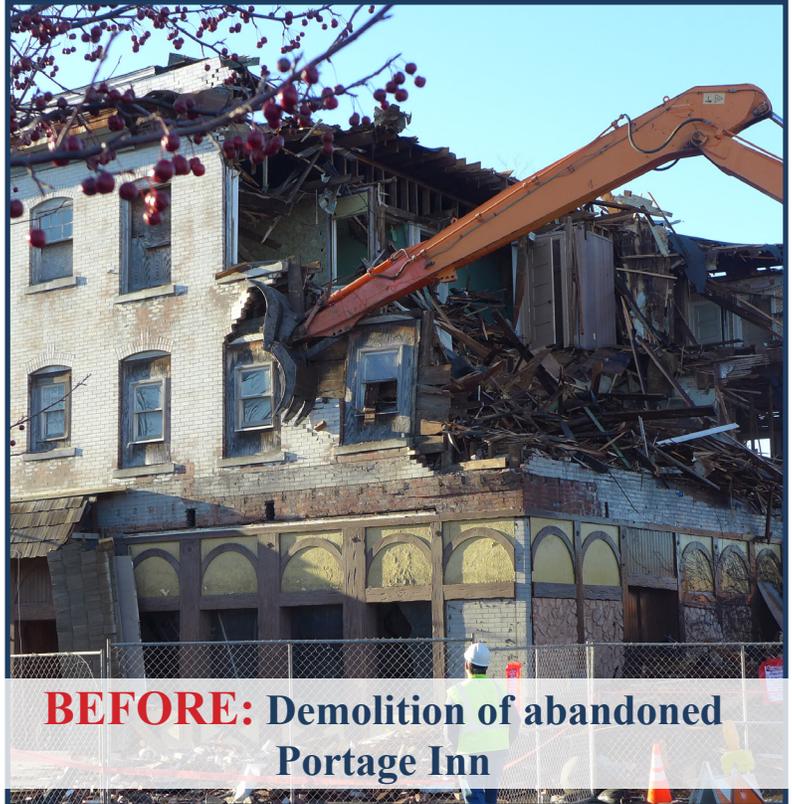
Between 1950 and the late 20th century, Schenectady's population declined by nearly one-third, which has created a surplus of abandoned homes. This formerly industrial city has dense, aging neighborhoods that are underserved by parks. The Capital Region Land Reutilization Corporation partnered with the City of Schenectady and the Schenectady Metroplex Development Authority to demolish neglected vacant structures and provide the Eastern Avenue neighborhood with access to much needed green space.

The Eastern Avenue site will be converted into Tribute Park—a vibrant and centrally-located park that will serve residents of all ages. Construction of the first phase of Tribute Park is scheduled to be completed in the fall of 2016.

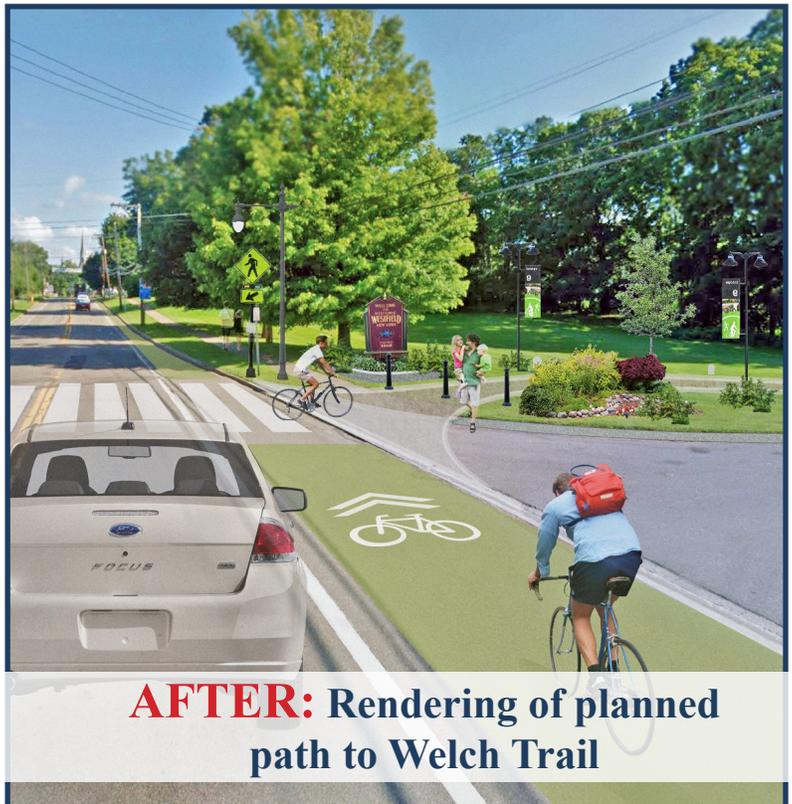
Rails to Trails: Chautauqua County's Welch Trail

Chautauqua County is a largely rural county in Western New York that has faced declining property values. Most notably, the Land Bank has demolished 66 blighted properties across the county. The Chautauqua County Land Bank Corporation worked with local partners to demolish the former Portage Inn, an unsafe dilapidated building in downtown Westfield.

The site of the former Portage Inn will be used to create a gateway to the planned Welch Trail. Fundraising is currently underway for this transformational project that will convert a historic railroad bed to a public trail along Chautauqua Creek. The Welch Trail will be a destination that reconnects the public to nearby natural beauty and boosts the local economy.



BEFORE: Demolition of abandoned Portage Inn



AFTER: Rendering of planned path to Welch Trail

From Brown to Green: Suffolk County's Commercial Brownfield Redevelopment



Phase II site assessment for the Former Hubbard Power and Light in Bay Shore

As certain sectors of the manufacturing industry have declined in Suffolk County, environmentally contaminated factory buildings have been left dormant. The creation of the Land Bank in 2013 provided the County with an important tool for addressing inactive commercial properties. The County can now transfer the liens for these properties to the Suffolk County Landbank Corporation (SCLBC). The Land Bank, in turn, sells the liens to responsible investors who, after an administrative

foreclosure process, will hold clear title and will remediate the contamination and rehabilitate the properties. This helps revitalize communities by turning the polluted sites into productive, tax-paying parcels that will help create jobs and improve quality of life.

The Land Bank has conducted environmental studies for 50 contaminated properties that can now be sold and cleaned up. In 2016, SCLBC issued competitive bidding for eight deteriorating commercial brownfield sites that have been abandoned for an average of 20 years and cumulatively owe over \$11 million in delinquent taxes. The land bank is also acquiring and rehabilitating abandoned, bank-owned properties.

According to Suffolk County Presiding Officer DuWayne Gregory, a Land Bank board member, "The Suffolk County Landbank Corporation has become a vital tool as we battle to get many long vacant properties cleaned up environmentally and put back on the tax rolls, often for the first time in over a decade. We are giving the new landowners a chance to create jobs, and create tax revenue for towns, villages, schools and Suffolk County. Without the Land Bank these scores of properties would have remained dangerous and ugly eyesores plaguing our communities."

A Tree Grows in Albany: Sheridan Hollow Community Garden

For years, Albany's 231 Sheridan Avenue languished as an overgrown and underutilized vacant lot. The Albany County Land Bank Corporation acquired the lot in 2015. It has also acquired 258 other blighted and abandoned properties throughout Albany County. The Land Bank completed initial improvements, and then sold 231 Sheridan Avenue to a nearby property owner to create a community garden for local residents.

This project complements the redevelopment of the distressed Sheridan Hollow neighborhood, which is undergoing a substantial revitalization into a mixed-income, mixed-use sustainable community. The Land Bank facilitated the transformation of this former vacant lot into a community asset that brings people together, benefits the neighborhood, increases green space, and adds value to neighborhood revitalization efforts.



Mixed-use Development: Downtown Binghamton Revitalization



BEFORE: 50 Front Street, prior to demolition



AFTER: Rendering for re-development of 50 Front Street as mixed-use new construction

The City of Binghamton is struggling with population loss and economic decline. The Broome County Land Bank Corporation (BCLBC) is working to counter that trend. The Land Bank has acquired 50 Front Street, an abandoned commercial property with irreparable flood damage.

The BCLBC selected a qualified developer who will demolish the unsound structure and construct a new development in its place.

The project will be a modern five-story mixed-use building with 10,000 square feet of commercial space and a total of 118 housing units. This will provide much needed quality housing and commercial space—an attractive incentive for people to choose to live and work in Binghamton’s downtown. The developer is scheduled to begin new construction in the spring of 2017.

Creative Placemaking: Art Brings Life to Vacant Homes in Albany, Schenectady, and Troy

The land banks in the Capital Region and a team of artists collaborated on a public art project to illuminate hundreds of vacant homes in October and November of 2016. As project partners, Troy Community Land Bank, Capital Region Land Reutilization Corporation, and Albany County Land Bank Corporation provided the artists access to land bank-owned properties.

In once vibrant neighborhoods with high vacancy rates, artists created an installation of pulsing lights that mimicked the rhythm of human breath. The installation, called Breathing Lights, raised awareness about the issues of abandonment and blight. It culminated in a regional summit as a call to action to local residents, prospective investors, and policy-makers.



Rendering of “Breathing Lights” art installation.

Investing in Communities: Newburgh's Building Preservation Program



BEFORE: 13 Chambers Street Interior
prior to renovation



AFTER: Renovated interior of
13 Chamber Street

Much of the housing in downtown Newburgh is beautiful and historic, but it is also plagued by environmental hazards from toxic, outdated building materials. To address this problem, the Newburgh Community Land Bank (NCLB) created its Building Preservation Program. The Land Bank removes lead and asbestos and fixes dangerous structural problems, and then sells the formerly abandoned buildings at little to no cost to responsible purchasers committed to fully renovating them. To date, NCLB has facilitated the rehabilitation of 36 previously dilapidated properties.

After removing hazardous lead and asbestos, the Land Bank oversaw the transfer of 13 Chambers Street to a local architect. The architect beautifully renovated the building and it now provides quality affordable apartments for three families. One tenant who previously faced eviction was able to get a steady job and improve his family's life with the help of a stable place to live, and he is now the unofficial 'Mayor' and caretaker of the block.

New Home In A Historic Neighborhood North Of Buffalo

Western New York has high levels of abandonment and blight. The Buffalo Erie Niagara Land Improvement Corporation (BENLIC) works across three counties to revitalize communities. To date, the land bank has renovated or demolished 133 homes, removing dangerous eyesores and replacing them with renovated or newly constructed homes that improve neighborhood property values.

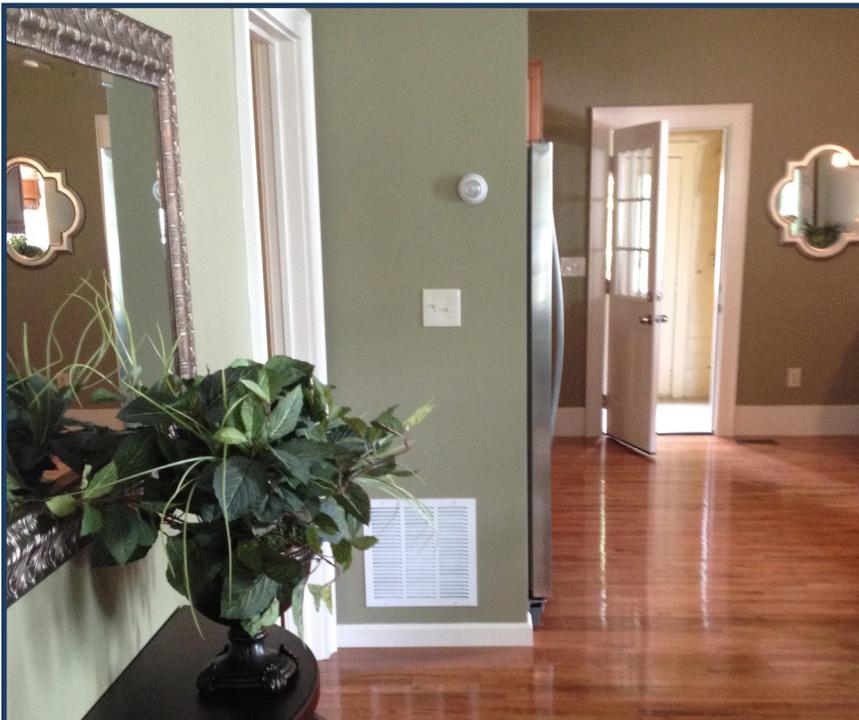
For example, BENLIC renovated a cluster of homes in the City of Tonawanda. To maximize investment, the land bank focused on a historic neighborhood adjacent to Niawanda Park and the Niagara River. One of these properties, 272 Kohler Street, had severe mold issues and was past the point rehabilitation. The Land Bank razed the old structure and built a modern home on the site. The new housing will strengthen a tightly knit neighborhood and provide an affordable housing opportunity for a deserving family.



Renovate to Own: Syracuse's Home Ownership Choice Program



BEFORE: Interior of 1811 Butternut Street
prior to renovation



AFTER: Interior of 1811 Butternut Street
post-renovation

Historically, Syracuse has had a large portfolio of tax-delinquent and deteriorated housing stock. The creation of the Greater Syracuse Property Development Corporation has enabled the city to transfer ownership of tax-foreclosed properties to the Land Bank. In just three years, the Land Bank has acquired over 1,000 of these properties. To date, it has returned more than 400 of these to the market and demolished over 125 unsafe buildings.

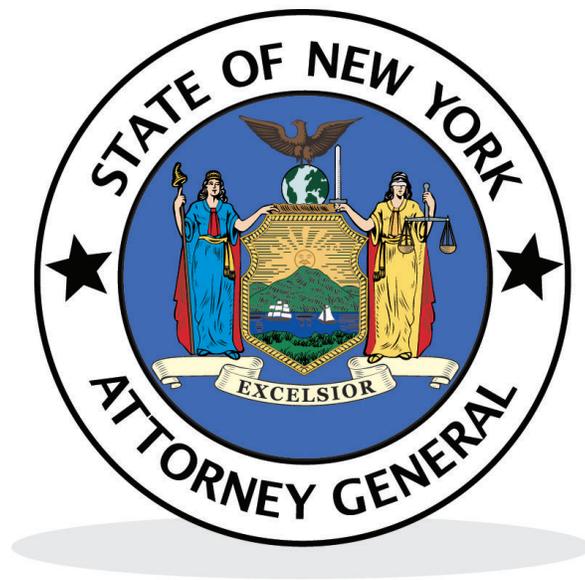
The Land Bank's Home Ownership Choice Program allows home owners and investors to purchase properties at low cost in as-is condition with the requirement that the purchaser will rehab the home within a year, and ultimately it will be owner occupied. 1811 Butternut Street was purchased by an investor who beautifully renovated the dilapidated property and sold it for an affordable price to a first-time home-buyer.

“The Rochester Land Bank is a win-win for our community. Thanks to Attorney General Schneiderman’s commitment to our communities, we have been able to return 77 abandoned properties to productive use, making our neighborhoods safer and more vibrant and helping our residents gain access to jobs and educational opportunities.”

-Mayor of Rochester Lovely Warren



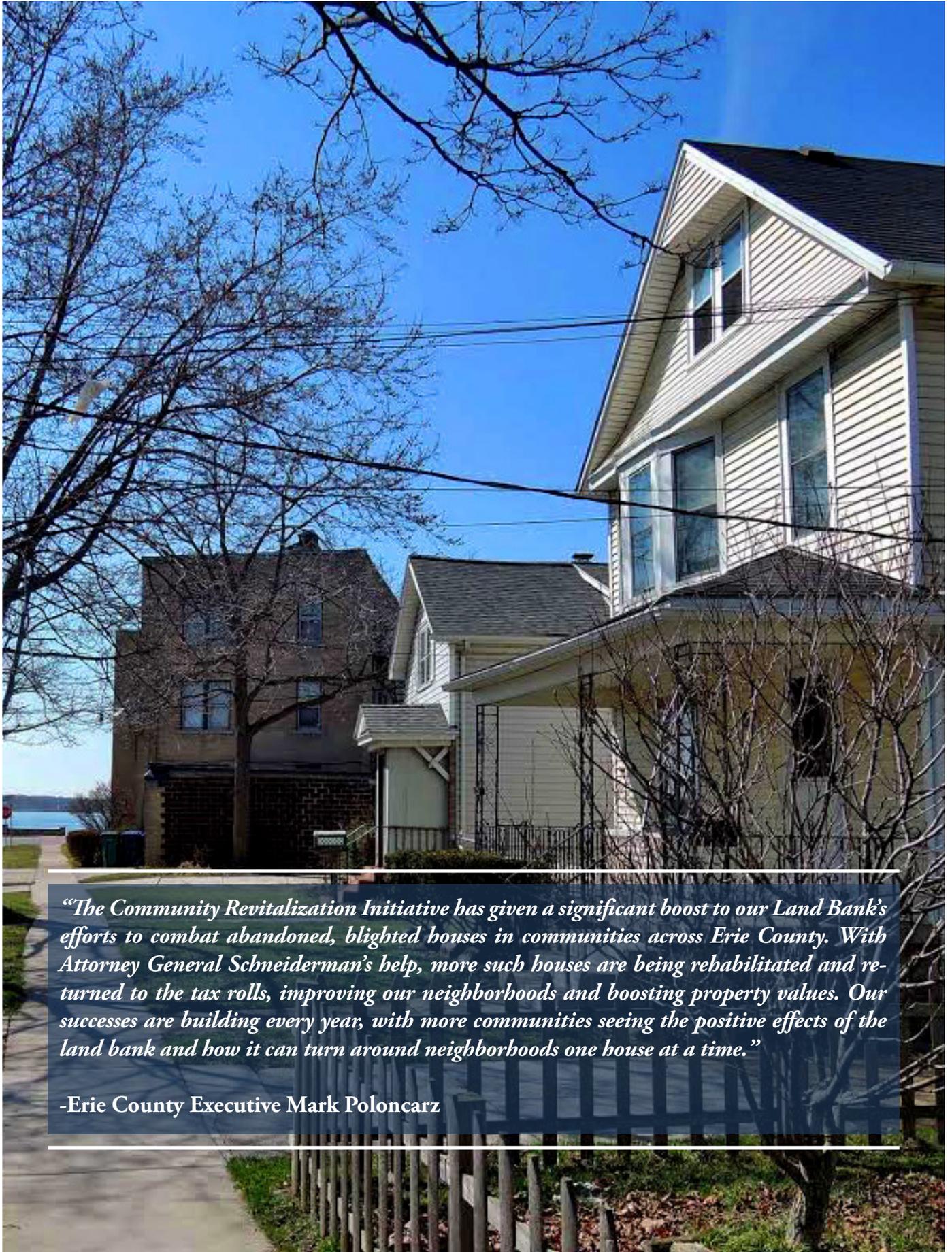
Credit: Rochester Land Bank Corporation



NY Attorney General Eric T. Schneiderman would like to thank the Land Bank CRI partners, without whom this program would not be possible.

Acknowledgments:

Since July 2013, Enterprise Community Partners, a national affordable housing intermediary, has been the project manager of the Land Bank CRI. As project manager, Enterprise has coordinated the deployment of funds, evaluated applications, monitored activities, and provided technical assistance to the land banks. Technical Assistance to the NY land banks has also been provided by Center for Community Progress, a nonprofit organization focused on vacancy and abandonment issues nationwide. As of the spring of 2016, The Local Initiatives Support Corporation (LISC), a community development intermediary, is funding 19 AmeriCorps positions for Land Banks and has provided start-up/capacity-building funds to new Land Banks. LISC and Enterprise together will be administering an additional Land Bank CRI funding round.



“The Community Revitalization Initiative has given a significant boost to our Land Bank’s efforts to combat abandoned, blighted houses in communities across Erie County. With Attorney General Schneiderman’s help, more such houses are being rehabilitated and returned to the tax rolls, improving our neighborhoods and boosting property values. Our successes are building every year, with more communities seeing the positive effects of the land bank and how it can turn around neighborhoods one house at a time.”

-Erie County Executive Mark Poloncarz